

SPECIAL REPORTING INSTRUCTIONS FOR THIS QUARTER

1. Data reported in the DCM is on a fiscal year to date basis; that is, from year end through the end of the current quarter.
2. For users who submitted data into the DCM during 4th quarter FY 2006, your beginning balances will be pre-populated in the DCM. All first time users will show a beginning balance of zero. If you have any discrepancies with your beginning balance, please contact FMO immediately.
3. Values entered should not be rounded. All amounts should be in dollars and cents.
4. Individuals submitting data via the DCM shall maintain supporting detailed files or records for audit trail purposes.

GUIDELINES FOR REPORTING WEAPON SYSTEMS

Users need to disclose the total estimated environmental liability of assets placed into service during current FY. For example, if 2 new conventional ships were placed into service during FY 2006, the total estimated liability needs to be disclosed in the narrative.

Users need to disclose any uncertainties associated with the environmental liabilities estimate. Usually the DON documents 2 or 3 sentences that describe that thorough methodology there are some uncertainties associated with accrual implementation of the disposal process.

Reported data that is known to be incomplete, deemed to be unreliable, or is an estimated (partially or full) amount, requires a narrative explanation, which should be documented in the Narrative Sections. The explanation should include the amount and details of the circumstances regarding the availability and use of such data.

Associated clean up or disposal liability for tactical missiles or torpedoes should be reported in other environmental or other non-environmental liability line.

Because Intragovernmental amounts have not been reported in the past, the grids are structured to capture NonFederal

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(entities outside the Federal Government) liabilities. The DoD FMR states that liability amounts should be reported as NonFederal if the reporting agency is not certain of the recipient of the future payment. Please include any Intragovernmental amount that needs to be reported in the Narrative section along with a brief description of the related program and the federal entity that will conduct the work.

We have been notified that OSD is interested in what portion of our Environmental Liabilities are covered by budgetary resources versus those that are not covered by budgetary resources. For those commands who report environmental liabilities, please calculate the best information you have available as to which portion is covered and which is not covered by budgetary resources.

New Row Definitions for Weapon Systems

Other (Spent Nuclear Fuel)

Other includes spent nuclear fuel and other associated nuclear by products from the tenders.

Unrecognized Environmental Liability

Represents the amount expected to be accrued in the future.

Additional Guidance

Refer to the following for additional guidance: SFFAS No. 1, "Accounting for Selected Assets and Liabilities;" SFFAS No. 3, "Accounting for Inventory and Related Property;" and SFFAS No. 6, "Accounting for Property, Plant, and Equipment". Also refer to the DoD Financial Management Regulation, Volume 6B, Chapter 10. The additional references mentioned above can be found on the FMO Headquarters website at <http://www.fmo.navy.mil/>

INSTRUCTIONS FOR COMPLETING THE NARRATIVE TAB

In the Narrative tab, provide the following:

(1) Users need to disclose in the narrative changes in the environment disposal liability due to changes in laws, regulations and/ or technology. In other words if a new law, regulations or technology caused a change in the environmental liability estimate then you need to disclose the amount of what cause the change whether increase or decreases.

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(2) Users need to disclose the total estimated environmental liability of assets placed into service during current FY.

(3) Material changes in environmental disposal liability estimates made during the current reporting period.

(4) All variances must be explained regardless its percentage change.

(5) Detail explanation of any prior period adjustments reported in the schedules.

(6) If the estimate is not completed due to factors such as an incomplete inventory or insufficient cost methodology, provide explanation and estimated costs to achieve a complete estimate.

(7) Additional information regarding what portion of Environmental Liabilities were covered by budgetary resources versus those that are not covered by budgetary resources.